

## Message Text

CONFIDENTIAL

PAGE 01 CARACA 00554 172220Z

62

ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 AID-20 COME-00 EB-11 FRB-02 TRSE-00 XMB-07

OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01 FEA-02 INT-08

SCI-06 CU-04 PC-10 AGR-20 STR-08 DRC-01 /219 W

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P 172141Z JAN 74

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC PRIORITY 2438

C O N F I D E N T I A L CARACAS 0554

EO 11652: GDS

TAGS: ENGR VE

SUBJECT: VENEZUELAN ECONOMIC STUDY TRIP

REF: (1) CARACAS 90; (2) STATE 7055

1. EMBASSY/USIS ENCOURAGED BY WASHINGTON AGREEMENT IN PRINCIPLE THAT PROPOSED VENEZUELAN ECONOMIC STUDY TRIP HAS MERIT, AND PLEASED THAT HIGH-LEVEL PROGRAMMING AS WELL AS FUNDING CAN BE AVAILABLE.

2. CT HAS GIVEN CAREFUL CONSIDERATION TO POSSIBLE NEGATIVE FACTORS AND BELIEVES THEY HEAVILY OUTWEIGHTED BY POSSIBLE BENEFITS WHICH INCLUDE PERSONAL CONTACT BY WASHINGTON OFFICIALS WITH AD ECONOMIC LEADERS, OPPORTUNITY TO PROVIDE INCOMING GOV ADMINISTRATION WITH USG THINKING ON MUTUAL ECONOMIC AND ENERGY PROBLEMS AND POSITIVE GESTURE BY US "REACHING OUT" IN FRANK AND FRIENDLY FASHION TO NEW ADMINISTRATION WHICH WILL GOVERN FOR FIVE YEARS WITH ABSOLUTE MAJORITIES IN CONGRESS.

3. CT VIEW REINFORCED AS RESULT OF EXPLORATORY DISCUSSION  
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PAGE 02 CARACA 00554 172220Z

OF POSSIBILITIES OF ECON STUDY TRIP BETWEEN DEPUTY SIMON

ALBERTO CONSALVI, CAP SPOKESMAN AND DIRECTOR OF PRESIDENT-ELECT'S PRESS AND INFORMATION OFFICE, AND PAO.

4. CONSALVI SAID HE HAD MENTIONED IDEA TO PEREZ WHO WELCOMED INITIATIVE AND THOUGHT IT CONSTRUCTIVE. HE SAID THAT IF TRIP COULD BE ARRANGED, PEREZ WOULD SELECT AD ECONOMIC LEADERS SUCH AS GUMERSINDO RODRIGUEZ, 40, MEMBER OF PEREZ TRANSITION COORDINATING COMMITTEE AND PROBABLE NEXT DIRECTOR OF STATE PLANNING AGENCY, CORDIPLAN, AND J.M. SUCRE TRIAS, 34, AD DEPUTY AND LEADING ECONOMIST FOR PARTY IN CONGRESS WHO ACCOMPANIED PRESIDENT-ELECT ON 1971 TRIP TO WASHINGTON.

5. LEVEL SUGGESTED BY CONSALVI GIVES TRIP ENTIRELY NEW DIMENSION AND IMPORTANCE. IF PEREZ DOES INDEED GO AHEAD WITH THIS PROJECT, WE WOULD DROP NEWSMEN AND COPEI REPRESENTATIVES AND SEND SMALL PARTY OF FOUR OR FIVE ECONOMIC LEADERS ONLY.

6. CONSALVI SUGGESTED TRIP BE EITHER BEFORE SECRETARY'S DEPARTURE FOR MEXICO OR IMMEDIATELY AFTERWARDS, FEB 24 - MARCH 1. HE PROMISED TO KEEP IN CLOSE CONTACT WITH US ON SUBJECT.

6. HERewith CT COMMENTS ON POINTS RAISED IN PARA 3 REFTTEL:

A. WHILE SOME COPEI CRITICISM IS POSSIBLE, WE BELIEVE BENEFITS MENTIONED ABOVE MAKE PROJECT WORTHWILE. WE ASK THAT TRIP BE HANDLED WITH MINIMUM OF PUBLICITY.

B. WE DO NOT BELIEVE THAT TRIP WOULD BE CONSIDERED IN ANY WAY A "BUY-OFF". ON THE CONTRARY, WE SEE ABOVE INTIMATIONS AS CLEAR INDICATIONS THAT PRESIDENT-ELECT WOULD CONSIDER IT AS AN INFORMAL REACHING OUT TO HIS NEW ADMINISTRATION BY USG IN PROVIDING HIS ECONOMISTS WITH EXTREMELY USEFUL ECONOMIC INFORMATION AT A CRITICAL TIME.

C. UNIQUE CHARACTER OF THIS PROJECT MEANS THERE WOULD BE NO DUPLICATION WITH IV PROGRAM.

D. WE WOULD NOT EXPECT THIS GROUP TO DISCUSS AS YET UNFORMED CAP POLICIES; THEY WOULD BE COMING TO GET UPDATED ON CONFIDENTIAL

CONFIDENTIAL

PAGE 03 CARACA 00554 172220Z

US POLICIES. HOWEVER, THEY WOULD BE LESS THAN VENEZUELAN IF THEY DID NOT REVEAL PERSONAL THOUGHTS ON FUTURE POLICIES.

7. WE AGREE THAT EARLY FEBRUARY IS FEASIBLE, BUT IF VENEZUELAN'S PREFER FEB 24 - MARCH 1, AS COULD BE THE CASE, WE HOPE THIS WOULD BE EQUALLY ACCEPTABLE TO DEPT.

8. WE BELIEVE THAT WE SHOULD GO AHEAD WITH PROGRAM PLANNING

AS SOON AS POSSIBLE. ALL PLANNING SHOULD BE BASED ON FACT THAT GROUP WILL BE COMPOSED OF SOPHISTICATED ECONOMISTS WITH CLOSE TIES TO PRESIDENT-ELECT WHO WILL BE INFLUENTIAL IN FUTURE, ECONOMIC AND ENERGY PLANNING AND, THEREFORE, SIMPLISTIC, NUTS AND BOLTS BRIEFINGS SHOULD BE AVOIDED.

9. WE WOULD SUGGEST THAT FIRST ENCOUNTER SHOULD BE WITH ASST. SEC. KUBISCH AND ARA ECON EXPERTS, WITH PARTICIPATION OF DEPARTMENT OIL EXPERTS, AND REPRESENTATIVE FROM UNDER SECRETARY FOR SECURITY AFFAIRS AND UNDER SECRETARY FOR ECONOMIC AFFAIRS.

10. MEETING WITH FEO CHIEF SIMON SHOULD BE HIGH ON AGENDA. EMPHASIS ON DISCUSSIONS IN FEO SHOULD BE FORWARD LOOKING AND CENTERED ON NEW DEVELOPMENTS SUCH AS COAL GASIFICATION AND LIQUIFYING, OIL SHALE REFINING, NUCLEAR POWER, GEOTHERMAL POSSIBILITIES AND OVERALL US PLANS FOR ENERGY INDEPENDENCE.

11. OTHER PROGRAM SUGGESTIONS INCLUDE SESSION WITH SEC. SHULTZ ON OVERALL ECONOMIC PROSPECTS AND DEVELOPMENTS; WITH PETER FLANIGAN OF WHITE HOUSE ON TRADE; COMMERCE ON TRADE AND SHORTAGES; AGRICULTURE ON US PRODUCTION PICTURE WHICH IS OF GREAT IMPORTANCE HERE; POSSIBLY SESSIONS WITH IDB AND WORLD BANK; KEY MEMBERS OF CONGRESS AND ONE OR TWO TOP PRIVATE ECONOMISTS WHICH MIGHT BE ARRANGED THROUGH BROOKINGS.

12. EMBASSY WOULD LIKE TO PARTICIPATE ACTIVELY IN PROGRAM PLANNING THROUGHOUT, AND WILL PROVIDE AN ESCORT OFFICER FOR GROUP. FIRST CLASS TRAVEL STRONGLY RECOMMENDED.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC COOPERATION, FOREIGN RELATIONS, PETROLEUM, POLITICAL LEADERS, MEETINGS, VISITS, FINANCIAL PROGRAMS, ECONOMIC DATA, PRESIDENT ELECT  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 JAN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974CARACA00554  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** n/a  
**From:** CARACAS  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1974/newtext/t19740136/aaaabhlq.tel  
**Line Count:** 146  
**Locator:** TEXT ON-LINE  
**Office:** ACTION ARA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** (1) CARACAS 90; (2) STATE 7055  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 17 SEP 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <17 SEP 2002 by boyleja>; APPROVED <06 DEC 2002 by golinofr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** VENEZUELAN ECONOMIC STUDY TRIP  
**TAGS:** ENRG, VE, US  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005